GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:4183
ANSWERED ON:19.04.2002
SUGAR MILLS IN ORISSA
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) The number of sugar mills closed down in Orissa during last three years and also in current year till date;

(b) The reasons for the closure of those sugar mills;

(c) whether the Government propose to revive any of those sugar mills; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD)

(a): During the last three sugar season (October - September) and the current sugar season, three sugar mills have closed down in the state of Orissa. Out of these three sugar mills, two mills belong to private sector and one to cooperative sector.

(b): These three sugar mills have closed down mainly due to inadequate cane availability, financial and managerial problems etc.

(c)&(d): The sick sugar companies belonging to Private and Public Sectors are coveredunder the provisions of the Sick Industrial Companies (Special Provisions) Act., 1985 (SICA).Such sick sugar companies are required to make a reference to the Board for Industrial and Financial Reconstruction (BIFR).The BIFR formulates a revival scheme, wherever feasible, andif any reliefs or concessions from the Government are included in the revival package, the same are considered by the Government to make the revival scheme successful.

The cooperative sugar mills are not covered by the SICA.They fall under the Cooperative Societies Act of respective States.The State Governments are expected to prepare suitable rehabilitation schemes for the revival of sick cooperative sugar mills, with or without the participation of the financial institutions including the National Cooperative Development Corporation (NCDC).

The Government has constituted a Committee under the Chairmanship of Secretary(F&PD) to examine the cases of sick cooperative sugar mills and to recommend revival packages of potentially viable units. The Government is also considering to amend the Sugar Development Fund Rules, 1983 for providing financial assistance at concessional rates of interest to potentially viable sick sugar mills.